



MALDIVES – CLIMATE CHANGE

**Enhanced action on financing to support
adaptation, mitigation and technology transfer**

**‘International Financing for Climate Action’
Seminar Hosted by ECOFIN Joint Working Group**

Mr Patrick McMullan, Advisor
Ministry of Foreign Affairs, Maldives
Brussels, Belgium - 9 July 2009

Outline

- Vulnerability of Maldives to climate change.
- Impacts of climate change may affect human societies and natural ecosystems.
- Climate change policy and strategy of Maldives.
- Enhance Financing for Climate Change.

Climate Hazards & Vulnerabilities

THE MALDIVES

- Population: **320,000**

- GDP per capita - approx. US\$ 3500

- GDP growth rate over last ten years **7-9 %**

- Total number of islands **1,192** (varies depending on tide and monsoon)

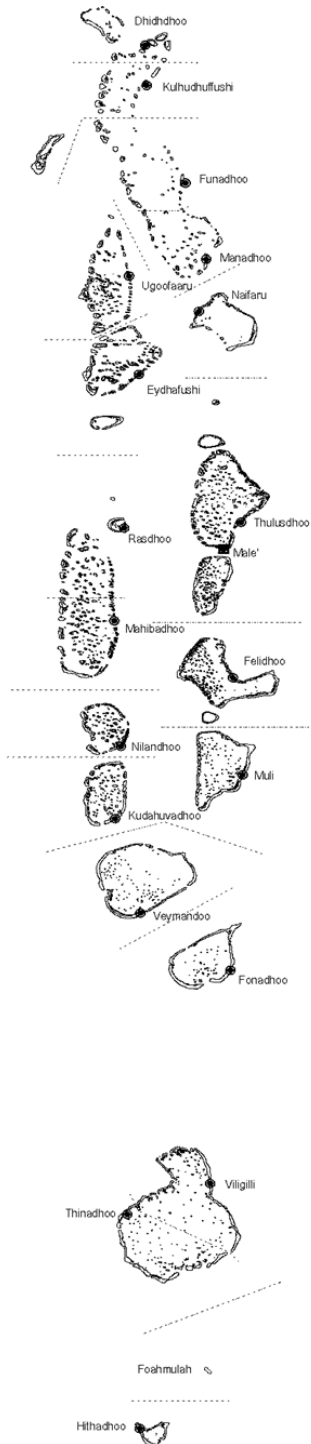
- Number of inhabited islands: **197**

- Area: 298 sq. km (> 99% sea)

- Main industries**

Tourism

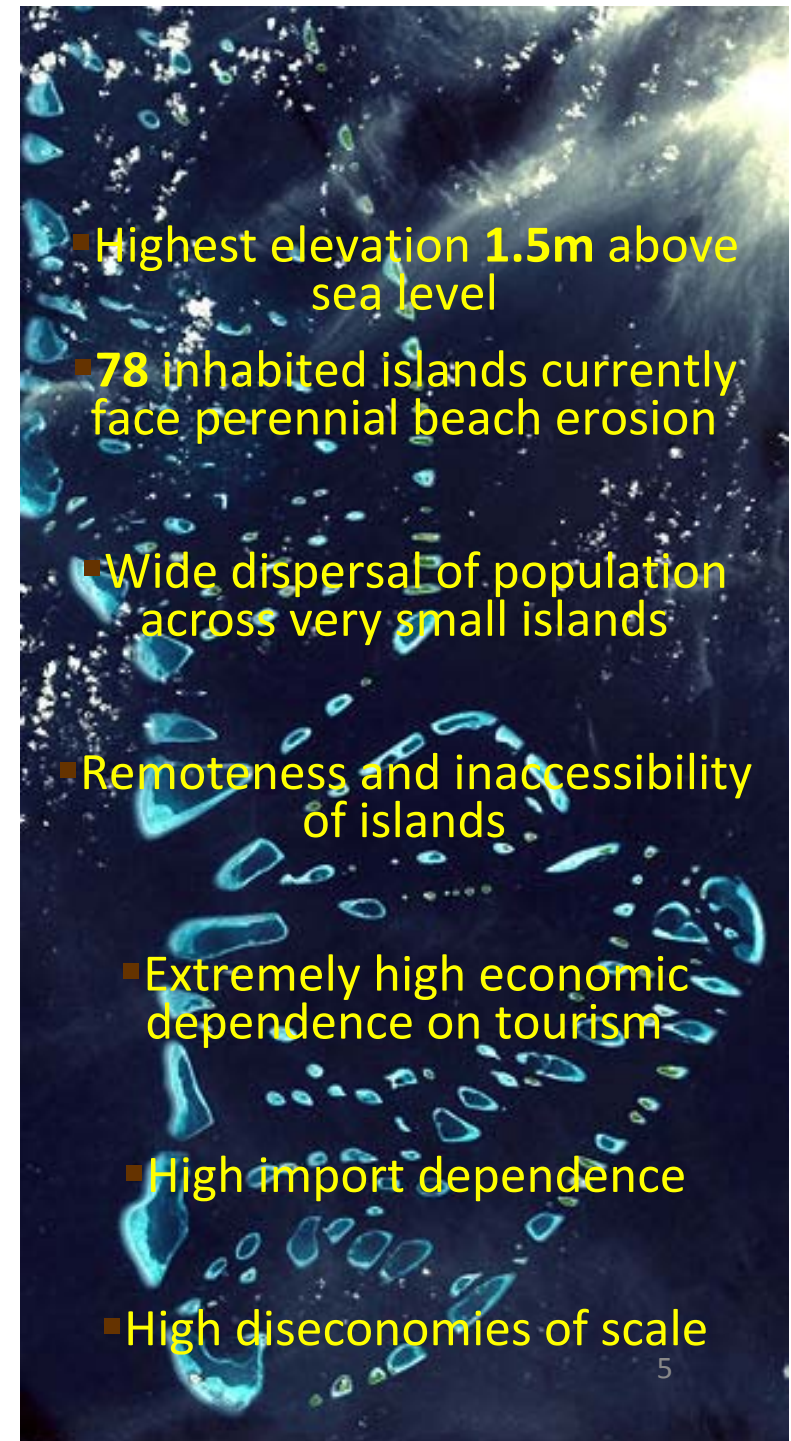
Fisheries



Vulnerability



- Land loss and beach erosion
- Infrastructure damage and economic impacts
- Food security
- Damage to coral reefs
- Water resources
- Human health



Impacts on Human Societies



Male' Declaration on the Human Dimension of Global Climate Change

- Presented at international gathering of Small Island Developing States 13-14 November 2007, Maldives
- The Declaration asserts that the “impacts of climate change pose the most immediate, fundamental and far-reaching threat to the environment, individuals and communities around the planet.”
- It further stresses that “climate change has clear and immediate implications for the full enjoyment of human rights.”
- UN Resolutions adopted in 2008 and 2009 including significant contributions from various countries and organisations.

*Climate change policy and strategy
of Maldives*

Climate Change Policy

Overall Goal

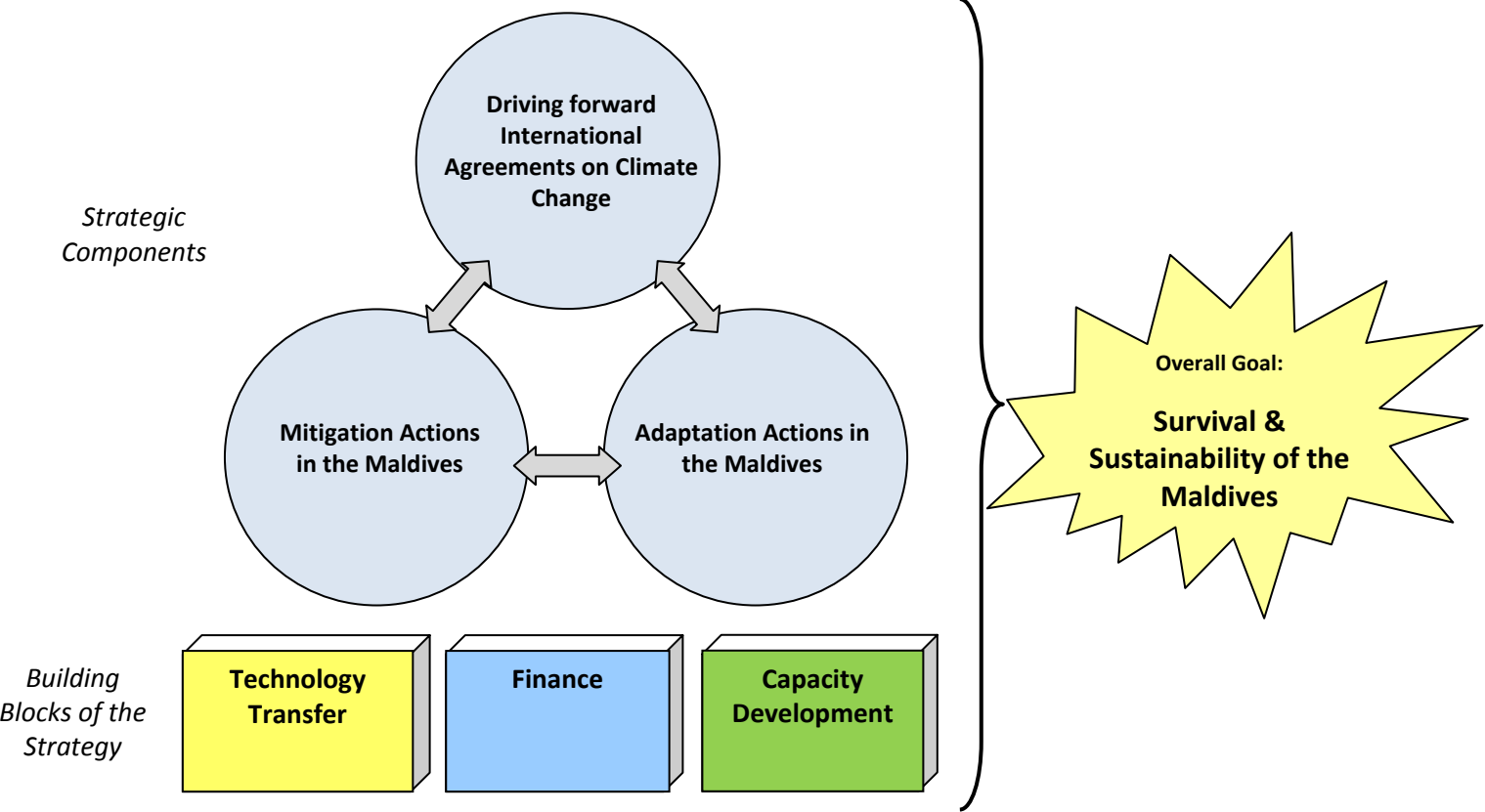
The overall goal of the Climate Change Policy is to ensure survival & sustainability of the Maldives.

“ Survival is non negotiable ”

Specific Objectives

- 1) To ensure the Maldives is a major influence in driving forward international agreements and international actions on climate change.
- 2) To show leadership in mitigation actions in the Maldives to reduce national greenhouse gas emissions and demonstrate commitment to stopping climate change.
- 3) To prioritise and implement adaptation actions in the Maldives related to the impacts of climate change.

Maldives 'Climate Change' Strategy



*Enhance Financing for
Climate Change*

Key messages

- Enhanced action on finance is required to ensure the full, effective and sustained implementation of the UNFCCC
- Sustained shortfall in climate financing constitutes an “implementation gap”
- Financing must cover agreed full incremental costs of mitigation and adaptation in all developing countries
- Fair and effective outcome in Copenhagen calls for step change in financing, as well as new institutional arrangements as proposed by developing countries

Required adaptation finance

Assessment	Annual Cost	Year
UNDP 2007	\$86 billion	2015
UNFCCC 2007	\$28-67 billion	2030
World Bank 2006	\$9-41 billion	present
Oxfam 2007	\$50 billion +	present
Stern Review 2006	\$4-37 billion	present

Sources: UNDP (2007), WRI (2009)

Available adaptation finance: GEF

Fund	Description	Total pledged	Total received	Project approvals
Least Developed Countries Fund	Supports preparation and implementation of National Adaptation Plans of Action	180	91.8	36.97
Special Climate Change fund	Focuses on development; activities to be country-driven, cost-effective and integrated into national poverty reduction	90	59.9	67.6
GEF Trust Fund Special Priority on Adaptation	Finances adaptation activities that also generate global environmental benefits	50	50	50
Total		320	201.7	154.39

Figures in USD millions

Source: GEF (current as at June, 2008)

Required mitigation finance

Assessment	Annual cost	Period	Assumptions
Stern (2008)	2% of global GDP (around \$1.3 trillion)	Annually	Annual economic costs of stabilizing concentrations at 500ppm in 2050
IPCC 4AR (2007)	<3% of global GDP (around	Annually in 2030	Annual economic costs of stabilizing at 445-535ppm
UNFCCC Secretariat (2008)	\$350 billion globally, and 130 billion in developing countries	Annually in 2030	Additional finance and investment to reduce emissions by more than 30GtCO ₂ e
EC Joint Research Center (2008)	\$207 billion globally, and \$97 in developing countries	Annually in 2020	Costs in industry and energy sectors
McKinsey and Company	\$273-478 billion	Annually in 2030	Incremental costs to achieve a 35% global emission reduction

Available mitigation finance

Fund	Description	Financing
GEF Trust Fund: Climate Focal Area	GEF operating as an operating entity of the UNFCCC Financial Mechanism	Around \$250 million annually
World Bank CIF, Clean Technology Fund*		4.1 billion pledged/allocated
World Bank CIF, Strategic Climate Fund, Scaling Up/Renewable Energy*		70 million pledged/allocated
World Bank CIF, Strategic Climate Fund, Forest Investment Program*		57 million pledged/allocated

* Amounts comprise part of US\$5.7 billion pledged as at January 2009

Enhancing action on finance: G77 and China Proposal

- *Aims.* The mechanism will support country-driven projects and programmatic approaches while ensuring direct access to funding, reducing fragmentation, and ensuring consistency of all climate funding with COP decisions.
- *Activities.* The mechanism will fund adaptation, mitigation, technology development, capacity building and preparation of national plans in accordance with relevant UNFCCC provisions.
- *Funding sources.* The mechanism will seek new, additional, predictable, stable and timely funding from public sources (up to 1% of Annex I GNP, some of which could be provided bilaterally/regionally), with the goal of leveraging additional funding sources. 1% of Annex I GNP calls for financing in the order of US\$400 billion per year.
- *Institutions.* The mechanism will include an executive board, appointed by the COP and supported by a secretariat, as well as a number of funding windows, a trustee to administer funds, and appropriate financial technical panels. The mechanism will ensure country involvement, a balanced representation of all Parties, and authority and guidance of the COP.

Required financing to address climate change in the Maldives

- The level of financing required by the Maldives alone in climate change mitigation is estimated to be around US\$ 110 million per year. Based on the recent policy announcement by the President Mohamed Nasheed earlier this year that the Maldives shall aim to be the first carbon neutral country by investing in renewable energy and decarbonising our economy.
- The Maldives National Adaptation Programme for Action (NAPA) adopted in January 2007 identifies the most urgent and immediate adaptation needs of the country with regard to predicted climate change. The cost of adaptation needs identified in the Maldives NAPA alone is estimated around US\$ 100 million. The total cost of NAPA's submitted to date to UNFCCC by 43 LDCs is estimated to be around US\$ 2 billion.



